

DESOTO PARISH TOURISM COMMISSION

MANSFIELD, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2014

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

DESOTO PARISH TOURISM COMMISSION

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Board of Commissioners
DeSoto Parish Tourism Commission
Mansfield, Louisiana

I have compiled the accompanying financial statements of DeSoto Parish Tourism Commission, a component unit of DeSoto Parish Police Jury, as of December 31, 2014, and the schedule of compensation, reimbursements, benefits and other payments to agency head, which is presented only for supplementary analysis purposes, for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

DeSoto Parish Tourism Commission has not adopted the provisions of Governmental Accounting Standards Board Statement No. 34. The effect of this departure from generally accepted accounting principles has not been determined.

Marsha O. Millican

Certified Public Accountant
July 23, 2015

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DESOTO PARISH TOURISM COMMISSION
COMBINED BALANCE SHEET
FUND TYPE AND ACCOUNT GROUP
DECEMBER 31, 2014

	General Fund Type	Account Group General Fixed Assets	(Memorandum Only) Totals
ASSETS			
Cash	\$ 396,044	-	\$ 396,044
Due from Other Governments	10,113	-	10,113
Prepaid Expenses	2,000	-	2,000
General Fixed Assets	-	7,571	7,571
Total Assets	408,157	7,571	415,728
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	580	-	580
Due to other funds	-	-	-
Total Liabilities	580	-	580
Fund Balances			
Unreserved	407,577	7,571	415,148
Total Fund Balances	407,577	7,571	415,148
Total Liabilities and Fund Balances	\$ 408,157	\$ 7,571	\$ 415,728

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Occupancy Tax	\$ 90,000	\$ 90,000	\$ 113,374	\$ 23,374
Interest	650	650	688	38
Total revenues	<u>90,650</u>	<u>90,650</u>	<u>114,062</u>	<u>23,412</u>
Expenditures:				
Current:				
General Government:				
Personal Services	19,800	19,800	11,099	8,701
Supplies	3,000	3,000	3,891	(891)
Advertising	40,000	40,000	62,439	(22,439)
Other Charges and Services	27,850	27,850	21,189	6,661
Total Expenditures	<u>90,650</u>	<u>90,650</u>	<u>98,618</u>	<u>(7,968)</u>
Excess Revenues Over Expenditures	-	-	15,444	15,444
Fund Balances, Beginning,	<u>392,133</u>	<u>392,133</u>	<u>392,133</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 392,133</u>	<u>\$ 392,133</u>	<u>\$ 407,577</u>	<u>\$ 15,444</u>

See accountant's compilation report.

DESOTO PARISH TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

DeSoto Parish Tourism Commission was created by Ordinance No. 2 of DeSoto Parish Police Jury on June 13, 1984. The ordinance states the purpose of the Commission is the promotion of conventions and tourism in the parish of DeSoto. The Commission conducts its operations as DeSoto Parish Tourist Bureau. The Commission is a component unit of DeSoto Parish Police Jury.

The Commission is governed by a board of seven directors appointed by DeSoto Parish Police Jury. Appointments are made from a list of nominees submitted to the Police Jury by DeSoto Parish Chamber of Commerce. The directors are appointed for terms of three years.

1. Summary of Significant Accounting Policies:

With the exception of implementation of GASB 34, the financial statements of DeSoto Parish Tourism Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The following is a summary of the more significant accounting policies:

Fund Accounting. The accounts of the Commission are organized on the basis of funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate the legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental funds are used to account for all or most of a government's general activities, including acquisition or construction of general fixed assets. The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis for accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Hotel/Motel receipts collected by the DeSoto Parish Police Jury but not remitted to the Commission are treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets and Budgetary Accounting. The Commission follows the procedures listed below in establishing the budgetary data reflected in these financial statements.

The Treasurer prepares a proposed budget which is submitted to the Board for consideration and approval by the Commission.

The Commission approved budget is then presented to the DeSoto Parish Police Jury for consideration and final approval.

All budgetary appropriations lapse at the end of each year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted.

General Fixed Assets. General fixed assets purchased are recorded at cost. Donated assets are recorded at the fair market value on the date of donation.

Compensated Absences. The Commission does not compensate its employees for absence from work.

Due from Other Governments. Amounts due from other governments are considered to be fully collectible.

Total Columns on Combined Statements - Overview. Total columns on the combined statements - overview are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash:

At December 31, 2014, the Commission had cash deposits in financial institutions totaling \$406,410 while the book's balances were \$396,044. The difference from the book balance is due to outstanding checks at year end. Balances of \$339,141 were fully insured by FDIC insurance. Balances of \$67,269 were collateralized by securities held in the Commission's name. (Category 3).

3. Per Diem Paid to Commissioners:

No per diem was paid to commissioners for the period January 1, 2014 through December 31, 2014.

DESOTO PARISH TOURISM COMMISSION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2014

Agency Head: Edna Thornton, Executive Director

Salary	<u>\$ 7,570</u>
Payroll Taxes	<u>\$ 579</u>

DESOTO PARISH TOURISM COMMISSION

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2014

Finding # 2014-1:

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause:

The condition is due to space and economic limitations.

Recommendation: Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding # 2014-2:

Condition: The Commission did not file its financial statements with the Legislative Auditor within the time frame required by State Law.

Cause:

The Commission experienced software issues during the year.

Recommendation: I recommend the Commission file its financial statements within the time frame required by State Law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will file our financial statements with the Legislative Auditor within the time frame required by State Law in the future.

DESOTO PARISH TOURISM COMMISSION

SCHEDULE OF FINDINGS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

Finding # 2014-3:

Actual expenditures exceeded budgeted expenditures by 5% or more. The Commission did not amend the budget as required by law.

Cause:

Oversight by management.

Recommendation:

The Commission should comply with the State Budget Law.

Management's Response and Corrective Action Plan:

We will comply with the State Budget Law in the future.

DESOTO PARISH TOURISM COMMISSION
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

Finding #2013-1:

The segregation of duties is inadequate to provide effective internal control.

Status: Unresolved.

Finding #2013- 2 :

Cash deposits of \$48,717 were unsecured and subject to risk.

Status: Resolved.

Finding #2013- 3:

The Commission did not file its financial statements within the time frame required by State Law.

Status: Unresolved.